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RECORD, CASE No. 13,889.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1892.

TERM No., 270.

ISAAC S. HOBBIE AND JOHN A. HOBBIE, PLAINTIFFS IN ERROR,

vs.

CHARLES E. JENNISON.

IN ERROR TO THE CIRCUIT COURT OF THE UNITED STATES FOR THE EASTERN DISTRICT OF MICHIGAN.

FILED OCTOBER 28, 1889.

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INDEX.

	Original.	Print.
Writ of error	1	1
Proof of service of writ of error	1½	1
Citation	2	1
Proof of service of citation	2½	2
Bond	3	2
Præcipe for summons	5	3
Summons and return	6	4
Security for costs	7	5
Consent to substitution of attorney for plaintiffs	8	5
Præcipe for order of substitution of attorney for plaintiffs	9	5
Order for substitution of attorney for plaintiffs	10	6
Præcipe for defendants' appearance	11	6
Rule for defendants' appearance	12	6
Withdrawal of appearance of defendant Hill	13	7
Præcipe for order of discontinuance as to defendant Hill	14	7
Rule for discontinuance as to defendant Hill	15	7

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	Original.	Print.
Declaration	16	8
Appearance for defendant Hill	22	10
Plea of defendant Jennison	23	11
Order as to certain evidence	24	11
Stipulation waiving jury	25	11
Order submitting cause	26	12
Judgment	27	12
Opinion of Brown, J.	28	13
Motion for special findings	39	17
Special findings	40	18
Consent to substitution of attorney for defendant Jennison	44	20
Order of substitution of attorney for defendant Jennison	45	20
Plaintiffs' exceptions to special findings	46	20
Stipulation as to time to settle bill of exceptions	47	21
Stipulation to file special findings *nunc pro tunc*, &c.	48	21
Order that special findings be filed *nunc pro tunc*	49	22
Assignment of errors	50	22
Clerk's certificate	52	23

1 UNITED STATES OF AMERICA, *ss:*

The President of the United States to the honorable the judges of the circuit court of the United States for the eastern district of Michigan, Greeting:

Because in the record and proceedings, as also in the rendition of the judgment of a plea which is in the said circuit court, before you, —Isaac S. Hobbie and John A. Hobbie, plaintiffs, and Charles E. Jennison, defendant, a manifest error hath happened, to the great damages of the said Isaac S. Hobbie and John A. Hobbie, as by their complaint appears, we, being willing that error, if any hath been, should be duly corrected and full and speedy justice done to the parties aforesaid in this behalf, do command you, if judgment be therein given, that then, under your seal, distinctly and openly, you send the record and proceedings aforesaid, with all things concerning the same, to the Supreme Court of the United States, together with this writ, so that you have the same at Washington on the second Monday of October, A. D. 1889, in the said Supreme Court to be then and there held, that, the record and proceedings aforesaid being inspected, the said Supreme Court may cause further to be done therein to correct that error what of right and according to the laws and custom of the United States should be done.

Witness the Honorable Melville W. Fuller, Chief Justice of the said Supreme Court, the second Monday of October, in the year of our Lord one thousand eight hundred and eighty-eight.

[Seal of the Circuit Court, Eastern District of Michigan.]

WALTER S. HARSHA,
Clerk U. S. Circuit Court, Eastern District of Michigan.

Allowed by—
H. B. BROWN, *Dist. Judge.*

1½ [Endorsed:] 7421. United States Supreme Court. Isaac S. Hobbie and John A. Hobbie, plaintiffs in error, *vs.* Charles E. Jennisen, defendant in error. Writ of error. James A. Allen, att'y for pl'ffs in error, 36 Niagara St., Buffalo, N. Y. Filed Oct. 12, 1889. Walter S. Harsha, clerk.

I hereby accept personal service of the within writ of error in behalf of the within-named defendant in error this 12th day of October, A. D. 1889.

WM. JENNISON,
Att'y for D'f't in U. S. Circ't C't for the E. D. of Michigan.

2 The United States of America to Charles E. Jennison, Greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States, to be holden at Washington on the second Monday of October, A. D. 1889, pursuant to a writ of

error filed in the clerk's office of the circuit court of the United States in and for the eastern district of Michigan, wherein Isaac S. Hobbie and John A. Hobbie are plaintiffs in error and you are defendant in error, to show cause, if any there be, why the judgment rendered against the said plaintiffs in error, as in the said writ of error mentioned, should not be corrected and why speedy justice should not be done to the parties in that behalf.

Witness the Honorable Henry B. Brown, one of the judges of the circuit court of the United States for the eastern district of Michigan, at the city of Detroit, in said district, this twelfth day of October, in the year one thousand eight hundred and eighty-nine.

HENRY B. BROWN,
District Judge.

2½ [Endorsed]: 7421. United States Supreme Court. Isaac S. Hobbie and John A. Hobbie, plaintiffs in error, *vs.* Charles E. Jennison, defendant in error. Citation. James A. Allen, att'y for pl'ffs in error, 36 Niagara St., Buffalo, N. Y. Filed Oct. 12, 1889. Walter S. Harsha, clerk.

I hereby accept personal service of the within citation on behalf of the within-named defendant in error this 12th day of October, A. D. 1889.

WM. JENNISON,
Att'y for Defendant in the Circuit Court of the United States for the E. Dist. of Michigan.

3 *Bond on Appeal.*

Know all men by these presents that we, P. Harold Hayes, of the village of Tonawanda, county of Erie and State of New York, and Francis M. Hayes, of the same place, are held and firmly bound unto Charles E. Jennison in the just and full sum of three thousand dollars, to be paid to the said Charles E. Jennison, his certain attorney, executors, administrators, or assigns; to which payment, well and truly to be made, we bind ourselves, our heirs, executors, and administrators, jointly and severally, by these presents.

Sealed with our seals and dated this 9th day of October, in the year of our Lord one thousand eight hundred and eighty-nine.

Whereas lately, in a suit depending in the circuit court of the United States for the eastern district of Michigan between Isaac S. Hobbie and John A. Hobbie, plaintiffs, and Charles E. Jennison, defendant, a judgment was rendered against the said Isaac S. Hobbie and John A. Hobbie, and the said Isaac S. Hobbie and John A. Hobbie having obtained a writ of error and filed a copy thereof in the clerk's office of said court to reverse the said judgment in the aforesaid suit, and a citation directed to the said Charles E. Jennison, citing and admonishing him to be and appear at a Supreme Court of the United States, to be holden at Washington on the second Monday of October, A. D. 1889:

Now, the condition of the above obligation is such that if the said

Isaac S. Hobbie and John A. Hobbie shall prosecute their said writ or error to effect and answer all costs if they shall fail to make good their plea, then the above obligation to be void; else to remain in full force and virtue.

P. HAROLD HAYES.
FRANCIS M. HAYES.

I hereby admit service on me of a copy of the within bond this 12th day of Oct., A. D. 1889.

WM. JENNISON,
Att'y for Def'nt in U. S. Circuit Court for the E. Dist. of Mich.

4 STATE OF NEW YORK, } ss:
Northern District of New York, County of Erie, }

P. Harold Hayes and Francis M. Hayes, being severally duly affirmed, each for himself deposes and says that he is a resident and householder within the county of Erie and State of New York and a resident in the county of Niagara, and is worth the sum of six hundred dollars over and above all debts and liabilities which he owes or has incurred and exclusive of property exempt from execution.

P. HAROLD HAYES,
FRANCIS M. HAYES.

Subscribed and sworn to before me this 9th day of Oct.
[SEAL.] ELIAS ROOT,
Notary Public.

STATE OF NEW YORK, } ss:
Northern District of New York, County of Erie, }

On this 9th day of October, 1889, before me personally came P. Harold Hayes and Francis M. Hayes, to me known to be the same persons described in and who executed the foregoing bond, and each for himself severally acknowledged that he had executed the same.
[SEAL.] ELIAS ROOT,
Notary Public.

Approved by—
H. B. BROWN,
Dist. Judge.

Filed Oct. 12, 1889.

WALTER S. HARSHA, *Clerk.*

5 *Præcipe for Writ of Summons.*

The Circuit Court of the United States for the Eastern District of Michigan.

To Walter S. Harsha, Esq., clerk of said court:

Please issue a summons as commencement of an action on the case in favor of Isaac S. Hobbie and John A. Hobbie, of Tonawanda,

New York, against Charles E. Jennison and Isaac H. Hill, of Bay City, Michigan, for $5,000 damages for infringement of a patent.

HENRY A. CHANEY,
Att'y for Plaintiff.

Dated Detroit, Aug. 18, 1886.
Filed August 13, 1886.

6 *Writ of Summons.*

The President of the United States of America to the marshal of the eastern district of Michigan, Greeting:

You are hereby commanded that you summon Isaac H. Hill and Charles E. Jennison, of Bay City, Mich., if they shall be found in your district, to be and appear in the circuit court of the United States for the eastern district of Michigan, to be held at Detroit, in said district, before the judges of the said court, on the seventh day of September next, to answer unto Isaac S. Hobbie and John A. Hobbie, of Tonawanda, New York, and citizens of the State of New York, in an action on the case for five thousand dollars damages for infringement of a patent, and have you then and there this writ.

Witness the Hon. Morrison R. Waite, Chief Justice of the Supreme Court of the United States, this thirteenth day of August, in the year of our Lord one thousand eight hundred and eighty-six, and of our Independence the one hundred and eleventh.

WALTER S. HARSHA, *Clerk*,
By JOHN GRAVES, *Dep. Clerk.*

EASTERN DISTRICT OF MICHIGAN, *ss:*

I hereby return that upon the fourteenth day of August, A. D. 1886, I served the within writ on the within-named Charles E. Jennison & Isaac H. Hill, at Bay City, in said district, by delivering to each of them personally a true copy thereof and exhibiting to each this original writ, with the seal of the court impressed thereon.

G. PENNELL, *Marshal*,
By J. P. LEROUX, *Deputy.*

Fees.

Service	$4 00
Miles	6 60
Copy	1 00
	11 60

7 *Security* ofr *Costs.*

Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE & JOHN A. HOBBIE
vs.
CHAS. A. JENNISON & ISAAC H. HILL.

I, Henry A. Chaney, hereby acknowledge myself security for all costs for which the plaintiffs may become liable in this suit.

HENRY A. CHANEY.

Dated Detroit, August 13, 1886.

8 The Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE & JOHN A. HOBBIE
vs.
CHARLES E. JENNISON & ISAAC H. HILL.

I hereby consent that Albert P. Jacobs, of the city of Detroit, be substituted in my place as attorney for the plaintiffs in the above-entitled cause.

HENRY A. CHANEY.

Dated Detroit, Aug. 24, 1886.

9 *Consent to Substitution of Attorney.*

The Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE & JOHN A. HOBBIE
vs.
CHARLES E. JENNSION & ISAAC N. HILL.

AUG. 24TH, 1886.

Henry A. Chaney, att'y for pl'ffs.

On reading and filing a consent in writing, signed by Henry A. Chaney, attorney for the above-named plaintiffs, and on motion of Albert P. Jacobs, ordered that the said Albert P. Jacobs be substituted in the place of Henry A. Chaney as attorney for the said plaintiffs.

HENRY A. CHANEY.

To the clerk of said court:

Let the foregoing rule be entered.
Dated Aug. 24th, 1886.

Filed Aug. 24th, 1886.

WALTER S. HARSHA, *Clerk.*

10 *Rule for Substitution of Attorney.*

In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE and JOHN A. HOBBIE
vs.
CHARLES E. JENNISON and ISAAC H. HILL.

On reading and filing a consent in writing, signed by Henry A. Chaney, attorney for the above-named plaintiffs, and on motion of Albert P. Jacobs, ordered that the said Albert P. Jacobs be substituted in the place of Henry A. Chaney as attorney for the said plaintiffs.

WALTER S. HARSHA, *Clerk*,
By JNO. GRAVES, *Dep.*

11 *Præcipe for Defendants' Appearance.*

In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE *et al.*
vs.
CHAS. E. JENNISON *et al.*

Please enter the appearance of the defendants Chas. E. Jennison and Isaac N. Hill, in the above-entitled cause, by Geo. H. Lothrop, their attorney.

Dated this 4th Sept., 1886.

Yours, etc.,
GEO. H. LOTHROP,
Att'y for Def'ts.

To Walter S. Harsha, Esq., clerk of said court.

Filed Sept. 4th, 1886.

WALTER S. HARSHA, *Clerk.*

12 *Rule for Appearance of Defendants.*

In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE and JOHN A. HOBBIE
vs.
CHARLES E. JENNISON *et al.*

On reading and filing a præcipe signed by Geo. H. Lothrop, attorney for defendants, Charles A. Jennison and Isaac Hill, it is ordered that the appearance of said defendants, Charles Z. Jennison and Isaac H. Hill, be, and the same is hereby, entered herein.

WALTER S. HARSHA, *Clerk*,
By JNO. GRAVES, *Dep.*

13 In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE *et al.*
vs.
CHAS. E. JENNISON *et al.* } # 7421.

I hereby withdraw my entry of appearance for Isaac N. Hill, one of the defendants in the above-entitled cause, the same having been made without any authority from said Hill and through mistake.

GEO. H. LOTHROP.

Dated this 16th Sept., 1886.

14 *Præcipe for Discontinuance as to Def't Hill.*

The Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE & JOHN A. HOBBIE
vs.
CHARLES E. JENNISON & ISAAC N. HILL.

To the clerk of said court:

Please enter an order discontinuing the above-entitled suit as against defendant Isaac N. Hill.

ALBERT P. JACOBS,
Att'y for Pl'ffs.

Dated Sept. 17, 1886.

Filed Sept. 21, 1886.

WALTER S. HARSHA, *Clerk.*

15 *Rule of Discontinuance Against Hill.*

In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC HOBBIE and JOHN S. HOBBIE
vs.
CHARLES A. JENNISON and ISAAC H. HILL.

On reading and filing a præcipe signed by Albert P. Jacobs, attorney for the plaintiffs, ordered that this cause be, and the same is hereby, discontinued as against said defendant, Isaac H. Hill.

WALTER S. HARSHA, *Clerk,*
By JNO. GRAVES, *Dep.*

10 *Rule for Substitution of Attorney.*

In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE and JOHN A. HOBBIE
vs.
CHARLES E. JENNISON and ISAAC H. HILL.

On reading and filing a consent in writing, signed by Henry A. Chaney, attorney for the above-named plaintiffs, and on motion of Albert P. Jacobs, ordered that the said Albert P. Jacobs be substituted in the place of Henry A. Chaney as attorney for the said plaintiffs.

WALTER S. HARSHA, *Clerk*,
By JNO. GRAVES, *Dep.*

11 *Præcipe for Defendants' Appearance.*

In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE *et al.*
vs.
CHAS. E. JENNISON *et al.*

Please enter the appearance of the defendants Chas. E. Jennison and Isaac N. Hill, in the above-entitled cause, by Geo. H. Lothrop, their attorney.

Dated this 4th Sept., 1886.

Yours, etc.,
GEO. H. LOTHROP,
Att'y for Def'ts.

To Walter S. Harsha, Esq., clerk of said court.

Filed Sept. 4th, 1886.

WALTER S. HARSHA, *Clerk.*

12 *Rule for Appearance of Defendants.*

In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE and JOHN A. HOBBIE
vs.
CHARLES E. JENNISON *et al.*

On reading and filing a præcipe signed by Geo. H. Lothrop, attorney for defendants, Charles A. Jennison and Isaac Hill, it is ordered that the appearance of said defendants, Charles Z. Jennison and Isaac H. Hill, be, and the same is hereby, entered herein.

WALTER S. HARSHA, *Clerk*,
By JNO. GRAVES, *Dep.*

13 In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE *et al.*
vs.
CHAS. E. JENNISON *et al.* } # 7421.

I hereby withdraw my entry of appearance for Isaac N. Hill, one of the defendants in the above-entitled cause, the same having been made without any authority from said Hill and through mistake.

GEO. H. LOTHROP.

Dated this 16th Sept., 1886.

14 *Præcipe for Discontinuance as to Def't Hill.*

The Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE & JOHN A. HOBBIE
vs.
CHARLES E. JENNISON & ISAAC N. HILL.

To the clerk of said court:

Please enter an order discontinuing the above-entitled suit as against defendant Isaac N. Hill.

ALBERT P. JACOBS,
Att'y for Pl'ffs.

Dated Sept. 17, 1886.

Filed Sept. 21, 1886.

WALTER S. HARSHA, *Clerk.*

15 *Rule of Discontinuance Against Hill.*

In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC HOBBIE and JOHN S. HOBBIE
vs.
CHARLES A. JENNISON and ISAAC H. HILL.

On reading and filing a præcipe signed by Albert P. Jacobs, attorney for the plaintiffs, ordered that this cause be, and the same is hereby, discontinued as against said defendant, Isaac H. Hill.

WALTER S. HARSHA, *Clerk,*
By JNO. GRAVES, *Dep.*

16 *Declaration.*

In the Circuit Court of the United States for the Eastern District of Michigan, of June Term, to wit, the Twenty-seventh Day of September, in the Year One Thousand Eight Hundred and Eighty-six.

EASTERN DISTRICT OF MICHIGAN, *ss:*

Isaac S. Hobbie and John A. Hobbie, of the village of Tonawanda, in the county of Erie and State of New York, who are citizens of the State of New York and of the United States, plaintiffs in this suit, by Albert P. Jacobs, their attorney, complains of Charles E. Jennison, of the city of Bay City, in the county of Bay and State of Michigan, who is a citizen of the State of Michigan, defendant in this action, the said Charles E. Jennison having been duly summoned to answer the said plaintiffs of a plea of trespass on the case upon promises.

For that whereas on and prior to the twenty-second day of November, A. D. 1864, Arcalous Wyckoff, who then was a citizen of the United States, was the first and original inventor of a new and useful improvement in pipes for gas, water, &c., used prior to his said invention and which was not at the time of his application for letters patent therefor, as hereinafter mentioned, in public use or on sale with his knowledge, consent, or allowance, nor patented, printed, nor published, nor published in any foreign country, and, being desirous of obtaining letters patent of the United States for said improvement, did make due application to the Commissioner of Patents of the United States for letters patent of the United States to be issued and granted for said improvement, and that thereafter, on or about the 22nd day of November, A. D. 1864, letter- patent of
17 the United States were duly granted and issued to the said Arcalous Wyckoff for said improvement in pipes in due form of law under the seal of the Patent Office of the United States, signed by the Secretary of the Interior and countersigned by the Commissioner of Patents and bearing date the 2nd day of November, in the year one thousand eight hundred and sixty-four, and numbered 45201, whereby there was granted and secured to the said Arcalous Ayckoff, his heirs, administrators, or assigns, for the term of seventeen years from and after the 22nd day of November, one thousand eight hundred and sixty-four, the full and exclusive right and liberty of making, constructing, using, and vending to others to be used the said improvement in pipes as set forth by the said letters patent, as by the said letters patent or a duly authenticated copy thereof ready in court to be produced will more fully and at large appear.

That on or about the thirty-first day of July, A. D. 1874, by an assignment in writing under the hand and seal of the said Arcalous Wyckoff, dated on the 31st day of July, A. D. 1874, the said Arcalous Wyckoff did, in due form of law, for a valuable consideration by him therefor received, sell, grant, and transfer unto the said

plaintiffs in this action, together with one Miles Ayrault, all the right, title, and interest of said Arcalous Wyckoff in and to the said improvement in pipes and the said letters patent therefor within and throughout the States of Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia,
18 and East and West Virginia; the same to be held and enjoyed by the said plaintiffs and said Miles Ayrault for their own use and behoof and for the use and behoof of their legal representatives as fully and entirely as the same would have been held and enjoyed by the said Arcalous Wyckoff if such grant and assignment had not been made.

That said assignment in writing of said Arcalous Wyckoff, duly executed by him, was on or about the 29th day of August, in the year one thousand eight hundred and seventy-four, duly recorded in the Patent Office of the United States in Liber 218 of Transfers of Patent-, at page 128, all of which, by said assignment and by the certificate of record of the Commissioner of Patents endorsed on the said assignment or by a duly authenticated copy of each of the same ready in court to be produced will more fully and at large appear.

That by an assignment in writing made and executed by the said Miles Ayrault, bearing date on the 31st day of May, A. D. 1876, the said Miles Ayrault, for a valuable consideration by him in hand received, sold and assigned to the said plaintiffs all his right, title, and interest in and to the said letters patent and invention fully and entirely, whereby since the said 31st day of May, A. D. 1876, the said plaintiffs in this cause have been and now are the sole and exclusive owners of the said letters patent and of the invention and improvement therein described, claimed, and secured and of all the rights and privileges conferred by the said letters patent
19 within the said several States and district hereinbefore particularly named ~~invention~~, and that the said mentioned improvement and improvement in pipes so as aforesaid patented in and by the said letters patent were of great value, to wit, of the value of one hundred thousand dollars.

Yet the said defendant, well knowing the premises as aforesaid and contriving and wrongfully intending to injure the said plaintiffs and to deprive them of the profits, benefits, and advantages which they might and otherwise would have derived from making, using, and vending to others to be used the said improvement in pipes for gas, water, &c., did, after the granting of the said letters patent and before the commencement of this action, to wit, on the 12th day of June, in the year 1880, and on divers days between that day and the twenty-second day of November, 1881, at the city of Hartford, in the county of Hartford, in the district of Connecticut, and elsewhere within the said States and district hereinbefore specifically named, unlawfully and wrongfully and without the license or consent and against the will of the said plaintiffs make, construct, and use and vend to others to be used the improvement in pipes patented and secured to the said Arcalous Wyckoff in and by the aforesaid letters patent, and did cause the same to be done by others, to

the great profit and advantage of the said defendant, and that within the dates last above specified the said defendant did ship from Bay City, in the State of Michigan, to the Hartford Steam Company of Hartford, Connecticut, large quantities of wooden pipe embodying the said invention, with intent that the same
20 should be laid and used at said Hartford, and that in pursuance of the acts and contrivance of the said defendant and with his aid and co-operation such pipe was unlawfully laid and used at Hartford and elsewhere within said territory, namely, all of which actings and doings of the said defendant are in violation and infringement of the said letters patent and of the exclusive right and liberty conferred thereby to the said Arcalous Wyckoff, and so as aforesaid assigned to the plaintiffs of making, constructing, using, and vending to others to be used the said improvement therein set forth and claimed and contrary to the provisions of the statute in such case made and provided. Whereby the said plaintiffs have been greatly injured and damaged and deprived of great gains and profits, which, but for the aforesaid unlawful acts and doings of the said defendant, would have been received and realized by said plaintiffs from said improvements in pipes, and the said plaintiffs have thereby sustained actual damage to a large amount, to wit, to the amount of five thousand dollars.

By means of which premises and by force of the statute aforesaid an action hath accrued to the said plaintiffs to recover and receive of the said defendant the said actual damages and such additional amount not exceeding in the whole three times the amount of said actual damages as this honorable court may see fit to order and adjudge.

Yet the said defendant, although often requested, has never paid the same nor any part thereof to the said plaintiffs,
21 but has hitherto wholly refused and still does refuse so to do, to the damage of the said plaintiffs of five thousand dollars, and therefore the said plaintiffs bring suit, etc.

ALBERT P. JACOBS,
Attorney for Plaintiffs, Detroit, Michigan.

Filed September 27, 1886.

22 In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE and JOHN A. HOBBIE
vs.
CHARLES E. JENNISON and ISAAC H. HILL.

To the clerk of said court:

SIR: Please enter the appearance of the defendant Isaac H. Hill by us as his attorneys in the above cause and oblige,

Truly yours, HOLMES AND ALLEN.

Dated Oct. 2, 1886.

23 *Plea of Def't Jennison.*

In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE *et al.*
vs.
CHAS. E. JENNISON *et al.* } # 7421.

And now comes the said Charles E. Jennison, one of the defendants in the above-entitled cause, by George H. Lothrop, his attorney, and demands a trial of the matters set forth in the plaintiff's declaration.

GEORGE H. LOTHROP,
Attorney for Def't Jennison.

Dated this 25th day of Oct., 1886.
Filed October 25, 1886.

24 *Order Striking Out Certain Depositions.*

At a session of the circuit court of the United States for the eastern district of Michigan, continued and held, pursuant to adjournment, at the district court-room, on the city of Detroit, on Monday, the eleventh day of June, in the year one thousand eight hundred and eighty-eight.

Present: The Honorable Henry B. Brown, district judge.

ISAAC S. HOBBIE and JOHN A. HOBBIE
vs.
CHARLES E. JENNISON.

In this cause, after hearing counsel for respective parties, it is ordered that the stipulation of facts heretofore filed be, and the same is hereby, vacated on plaintiff's motion on condition that defendant be entitled to use in this case the deposition of Myles Ayrault copied in moving papers as if taken in this case, and on defendant's motion, after hearing counsel for repspective parties, it is ordered that the deposition of J. L. Hallett for plaintiff- be suppressed unless plaintiff- chooses to accept pa-ment of royalty or damages on pipes sold by —— —— to Springfield Gas-Light Co. and cost of deposition, in full for that act of infringement.

25 The Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE and JOHN A. HOBBIE
vs.
CHARLES E. JENNISON, Impleaded with ISAAC N. HILL.

In the above-entitled cause it is stipulated by and between the

parties thereto that said cause may be tried by the court, jury trial therein being hereby waived.

ALBERT P. JACOBS,
Attorney for Plaintiff-.
GEO. H. LOTHROP,
Att'y for Defendant-.

Dated Detroit, Nov. 27, 1888.

26 *Trial.*

At a session of the circuit court of the United States for the eastern district of Michigan continued and held, pursuant to adjournment, at the district court room, in the city of Detroit. on Wednesday, the ninth day of January, in the year one thousand eight hundred and eighty-nine.

Present: The Honorable Henry B. Brown, district judge.

ISAAC S. HOBBIE and JOHN A. HOBBIE
vs.
CHARLES E. JENNISON and ISAAC H. HILL.

In this cause the parties having by stipulation in writing waived a trial by jury, and the cause coming on for trial on -his day, the court hears the -roofs and allegations of the parties and the arguments of counsel, and thereupon said cause is submitted.

27 *Judgment.*

At a session of the circuit court of the United States for the eastern district of Michigan continued and held, pursuant to adjournment, at the district court room, in the city of Detroit, on Monday, the fourth day of March, in the year one thousand eight hundred and eighty-nine.

Present: The Honorable Henry B. Brown, district judge.

ISAAC S. HOBBIE and JOHN S. HOBBIE
vs.
CHARLES E. JENNISON and ISAAC S. HILL.

This cause having been heretofore duly tried before the court without a jury and submitted, the court now here finds that the defendants are not guilty of the premises in the plaintiffs' declaration in this cause laid to their charge in manner and form as the said plaintiffs have therein alleged; thereupon, on motion of Mr. Geo. H. Lothrop, attorney for defendant Jennison, it is considered that said plaintiffs take nothing by their suit and that the said defendant do go thereof without day; and it is further co-sidered that the said defendant do recover against the said plaintiffs his cists and charges by him about his defense in this behalf expended, to be taxed, and that said defendant have execution therefor. On motion of Mr. A. P. Jacobs, attorney for plaintif-s, said plaintiffs are hereby allowed 30 days in which to settle a bill of exceptions.

28 Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE *et al.*
vs.
CHARLES E. JENNISON.

29 This was a common-law action for the infringement of letters patent No. 45201 issued to one Wyckoff Nov. 22nd, 1864, for an improvement in gas and water pipes. The case was tried before the court upon substantially the following state of facts: Plaintiffs were the assignees of the patent for New York, New England, and all the Eastern States north of the Carolinas, and carried on business as manufacturers of the patented pipe at Tonawanda, N. Y., with sufficient facilities for supplying the market in all the territory owned by them. Defendant's firm—which had consisted of himself and one Ayrault—was the assignee for the State of Michigan and other States, manufacturing the pipe at Bay City, in this State. This firm did business the greater part of 1880, having succeeded the firm of Ayrault, Smith & Co., which manufactured at the same establishment during the years 1877, '78, and '79. Ayrault, Jennison & Co. were in turn succeeded in the latter part of 1881 by a corporation located at the same place and owning the same plant under the name of the Michigan Pipe Company. Two suits have been already brought and carried through to judgment by the present plaintiffs as territorial owners of the Wyckoff patent for similar infringements to those charged in this case; one against members of the firm of Ayrault, Smith & Co., and the other against the Michigan Pipe Company. These suits were brought in the northern district of New York, and were decided by Judge Coxe, whose decision is reported in 27 Fed. Rep., 656. No question was made in this case with regard to the title of the plaintiffs nor the validity of the patent,

30 but the case turned upon the legality of a certain sale of pipe made by the defendant's firm. On the 16th of April, 1880, Andrew Harvey & Son, of Detroit, wrote the defendants that they had about closed a contract to put in a steam supply apparatus, with four miles of pipe, and wanted to know the lowest cash price for wood casing for steam pipe, adding, "I" (Andrew Harvey) "expect to leave the city in a few days and wish to receive an answer before going." On the following day defendant's firm answered, stating they would sell them what steam-pipe casing they might need at $20 per thousand feet, board measure, etc. Negotiations seem to have taken place at that time between Harvey and the Hartford Steam Company of Connecticut for laying a quantity of steam pipe in that city, for on the 5th of May Mr. Loomis, secretary of the company, writes to Harvey & Son accepting their proposition and asking them to get prices of wood pipe and send to him "so we can get some ordered and when they will commence to deliver it." On the 12th of May a contract was signed between the defendant's firm and Harvey & Son, by the terms of which defendant agreed to pay Harvey & Son a commission of 10% on all orders sent them direct and also upon all orders they might influence to take the casing at the

rate of $20 per thousand feet on cars at Bay City. On the same day this contract was signed defendant's firm write Harvey & Son giving the rate from Bay City to Hartford at $55 a car, and saying that their understanding was that under the arrangement made with defendant Harvey & Son should make their best efforts to
31 turn all their trade to defendant's firm, expressing the hope to hear from them soon in reference to the Hartford order.

On the same day a statement of prices for different sizes of casing was made out and given to Harvey, which Harvey & Son soon after enclosed to the Hartford Company in their letter of May 17, and on June 3d Loomis writes to Harvey, saying that perhaps it was better to only give orders for one-half at present and get firm at it. A memorandum of same date was sent by him of the pipe which would be required. He also says that prices of wood pipe are too high; wants him to get it reduced, if possible, and make as good a contract for freight as possible. On the 10th of June Harvey telegraphed to defendant's firm, requesting Ayrault to come to Detroit on the first train for an order. On the following day an order in writing was signed by Harvey & Son for wooden-pipe casing to be shipped "to the Hartford Steam Supply Co.," the items being the same exactly and one-half the quantity (except in one instance) specified in Loomis' memorandum of June 3d. On the 18th of June Mr. Loomis, secretary of the company, sends directly to defendant's firm an order, in addition to the order given by Harvey & Son, *of* the remaining one-half of the casing specified in the memorandum *in* June 3d. The further correspondence between the parties relates to the manner in which the pipe was to be paid for, New York drafts being remitted directly from Hartford to defendant's firm, which remitted to Harvey & Son their checks for the 10% commission agreed between them in their contract of May 12th. An ad-
32 ditional order for 3,000 feet of casing was *was* given to defendant's firm by Loomis, under date of July 30th, and some other small orders given in the same manner followed before the close of the season. The pipe was all laid down under Harvey's direction in the streets of Hartford.

Messrs. James A. Allen and A. P. Jacobs, for plaintiffs.
Messrs. George H. Lothrop and Wm. Jennison, for def't.

BROWN, *J.:*

Plaintiffs' position in this case is that there was either a sale of the steam pipe to Harvey & Son with the knowledge that the- were to resell to the Hartford Company, in which case the defendant would be held liable as an infringer under the ruling in Hatch *vs.* Hall, 30 Fed. Rep., 613, and Hatch *vs.* Adams, 22 do., 434, or that Harvey was the agent of Ayrault, Jennison & Co. in selling to the Hartford Company, and that such sale was made in the State of Connecticut in violation of plaintiffs' rights as the assignee of this territory; but about the only evidence which tends to show an agency on the part of Harvey is the agreement of May 12th, wherein Ayrault, Jennison & Co. agreed to pay Harvey & Son a commission of 10 % upon all orders they might obtain for this casing. This agree-

ment, however, was made a month after Harvey had notified them of his proposed contract to put in four miles of pipe for the Hartford Company and a week after his proposed contract with such company had been accepted and was undoubtedly made for the purpose of securing Harvey's influence in the sale of the pipe not only in Hartford, but in other Eastern cities. It is pertinent in
33 this connection to notice that on the 8th of May Harvey wrote to Loomis saying that he was sending all over for prices for iron pipe to be delivered at Hartford. In fact, Harvey in his testimony states that before he had any communication upon the subject with Ayrault, Jennison & Co. he had closed the contract with the Hartford Steam Co. to lay several miles of pipe for them. On the day following his contract of May 12th Harvey writes to Loomis: "I have been up to Saginaw and have made inquiries about prices and the best that they will do now is $20 per thousand, board measure, delivered on board cars at Saginaw. But this company have split partnership and there will be two firms manufacturing this next week and I am figuring with them both and will try to get it cheaper. I am also figuring about freight from different points so as to get the cheapest freight to Hartford." We think the other evidence completely rebuts any presumption of agency arising from the contract of May 12th. Not only does the correspondence between Harvey and the Hartford Company indicate that he was negotiating with defendants for them, but the pipe was shipped directly to them and, except in the first instance, upon their order, and was paid for by them, as well as the freight from Bay City to Hartford. The books of Ayrault, Jennison & Co., which were also put in evidence, show that the account was kept with the Hartford Steam Co., a general statement of which account was sent them in a letter of Nov. 19. Considered in the light of surrounding circumstances, we are not prepared to accept the theory that Harvey & Son were
34 the agents of the defendant or that the sale of the pipe was made to them. Indeed, Harvey swears himself that he was acting as the agent of the Hartford Co. in getting prices, and that Loomis relied upon him in the matter. We regard the contract of May 12th simply as an instance of a custom which may be common among purchasing agents, but to which no court has yet been found to lend its sanction. He was evidently acting for the Hartford Company, which was relying upon his jusgment, zeal, and discretion in making the purchase, and had no right to take a commission from the defendant without at least disclosing that fact to his principal. Mechem on Agency, sec. 943; N. Y. Central Ins. Co. *vs.* Protection Ins. Co., 14 N. Y., 85; Scribner *vs.* Collar, 40 Mich., 375.

As the pipe was delivered by defendant's firm upon the cars at Bay City upon the written order either of Harvey & Son or the Hartford Co., there can be no serious question that this was a sale and delivery at Bay City, although if the order had been verbal it would probably be held under the statute of frauds that the property in the pipe did not pass until it had been received and accepted by the steam company in Hartford. This was the conclusion of

Judge Coxe in Hobbie *vs.* Smith, 27 Fed. Rep., 656, arising out of a similar transaction by the defendant. See also U. S. *vs.* Shriver, 23 Fed. Rep., 134; Bachman *vs.* Jenks, 55 Barb., 468, and other cases cited in Judge Coxe's opinion.

The case then reduces itself to the simple question whether, conceding the sale to have been made at Bay City, the defend-
35 ant can be held as an infringer by reason of his knowledge that the property was to be used in a territory of which plaintiffs held a monopoly, for we take it to be clear that if the sale had been innocently made—that is, with the expectation that the pipe was to be used in defendant's own territory—there could be no doubt that he would not be chargeable. Were this an original proposition we should be strongly inclined to hold that the vendor of a patented article who sells the same for the purpose of or knowledge that it will be resold or used in territory belonging to another is equally amenable to suit as if the sale were made in such other territory. The patent laws give to the patentee the exclusive right to use as well as to manufacture and sell within the territory properly belonging to him, but it is difficult to see how this right can be properly protected if the assignee of other territory who may perhaps possess facilities, superior energy, or a larger amount of capital than himself may flood his territory with the patented article by means of the easy device of selling and passing the property within the territory owned by himself. Indeed the gist of the offense to the plaintiffs in this case consists not more in the actual sale in their territory than in the use of the article sold, since their own market has been impaired to the exact amount of the profits they would have realized from such sale if made by themselves. This seems to us not only a just and reasonable construction of the law, but in line with the long list of cases which hold that
36 where a party makes one or more elements of a patented combination with the intent that they shall be used in the completed combination he is liable as an infringer.

Richardson *vs.* Noyes, 2 B. & A., 398.
Baker *vs.* Downs, 3 B. & A., 518.
Wallace *vs.* Holmes, 9 Blatch., 65.
Saxe *vs.* Hammond, 1 Holmes, 456.
Celluloid Manuf'g Co. *vs.* American Zylonite Co., 30 Fed. Rep., 437.
Schneider *vs.* Pountney, 21 Fed. Rep., 403.
Travers *vs.* Beyer, 26 Fed. Rep., 450.

The Supreme Court, however, seems to have taken a different view of this very question in the case of Adams *vs.* Burke, 17 Wall., 453. In this case an undertaker purchased patented coffin lids of certain manufacturers, who held the right from the patentee to manufacture and sell in a circle whose radius was ten miles, having the city of Boston as a center. The undertaker, however, lived outside of this circle within a territory owned by the plaintiff, and made use of the coffin lids in his business. The owner of the territory in which he carried on his business brought suit against him as

an infringer, and the court held that, the sale having been made by a person who had full right to make, sell, and use within his own territory, such sale carried with it the title to the use of the machine without as well as within such territory. The action in this case was brought against the user, but the court announced a principle of law which is equally applicable to the seller. If the user of the
37 article is not liable to the patentee, it is because he purchased it of a person who had the legal right to sell it, and if it were legal for him to buy it was equally legal for the other party to sell. In the opinion of the court, as well as the dissenting opinion in this case, it is stated in substance that the question raised was whether an assignment of a patented invention for a limited district, such as a city, county, or a State, conferred upon the assignee the right to sell the patented article to be used outside of such limited district. We have sought to distinguish this case from the one under consideration by searching for evidence that the sale was made under the belief that the property — to be used within the territory of the seller; but neither in the report of the case in the supreme court nor in the circuit (1 Holmes, 40) is there an intimation that the sale was made with the expectation that the property would be used or consumed within the territory. Indeed, the inference from the fact that the purchase was made by an undertaker, whose place of business must have been known to the manufacturer, is decidedly the other way. If the sale had been made innocently the importance of this fact would certainly not have escaped the attention of the court and counsel, and we think we are bound to accept the case as authority for the broad proposition that the sale of a patented article by an assignee within his own territory carries the right to use it everywhere, notwithstanding the knowledge of both parties that a use outside of the territory is intended. The case was
38 followed by Judge Coxe in Hobbie *vs.* Smith, 27 Fed. Rep., 656, and by Judge Sawyer in McKay *vs.* Wooster, 6 Sawyer, 673. It may, perhaps, admit of some doubt, especially in view of the strong dissenting opinion in that case, whether this doctrine will be adhered to should the question ever be reargued, but, of course, the case is the law unto this court and must be followed until overruled by the court which pronounced the opinion. We think it covers the case under consideration, and consequently there must be a judgment for defendant, with costs.

39 In the Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE and JOHN A. HOBBIE
vs.
CHARLES E. JENNISON, Impleaded with ISAAC N. HILL.

And now comes the said plaintiffs, by their attorney, and ask the court that a finding of the facts ascertained by the court in the above-entitled cause from the evidence given at the trial of said

cause, together with the conclusions of law of the court thereupon, be filed in writing in said cause.

ALBERT P. JACOBS,
Attorney for Plaintiffs.

Dated March 4, 1889.

40 *Judge Brown's Special Findings.*

The Circuit Court of the United States for the Eastern District of Michigan.

ISAAC L. HOBBIE & JOHN H. HOBBIE, Plaintiffs,
vs.
CHARLES E. JENNISON, Impleaded, &c., Defendant.

This cause having been tried by the court without a jury, pursuant to the provisions of section 649 of the United States Revised Statutes, and the same having been argued by counsel for the respective parties and submitted, the court thereupon finds the following facts:

1. That during all the times hereinafter mentioned the plaintiffs in the action were assignee- and owners of letters patent No. 45201, dated November 22nd, 1864, granted to Arcalous Wickoff for an improved pipe for gas, water, etc., for New York, New England, and all the Eastern States north of the Carolinas and carried on business as manufacturers of the patented pipe at Tonawanda, in the State of New York, with sufficient facilities to supply the market in all the territory owned by them, and that at the time of the sale of the pipe or casings hereinafter mentioned defendant's firm was aware of the plaintiffs' title to said patent for the State of Connecticut.

2. That the firm of Ayrault, Jennison & Co., which was composed of the defendant, Susan Hill, and one Miles Ayrault, was the assignee and owner of the same patent for the State of Michigan and during the greater part of the year 1880 manufactured and sold the patented pipe at Bay City, in the State of Michigan, to various persons.

3. That in the year 1880 the firm of Andrew Harvey & Son did business in Detroit, Michigan, as machinists and manufacturers of valve fittings and other supplies.

41 4. That in the for- part of 1880 the Hartford Steam Co., a corporation organized, existing, and doing business under the laws of the State of Connecticut, at Hartford, in said State, undertook the project of laying down lines of steam-pipe apparatus for heating purposes in the streets of said Hartford, and that they had considerable correspondence with said Harvey & Son as to the best prices they could get for pipe castings and iron pipes, and also as to the best terms for freight from Bay City, Michigan, and elsewhere to Hartford, Connecticut; that on the 5th day of May, 1880, said Hartford Steam Co., which had been negotiating for several weeks with Harvey & Son, concerning the said project, completed a con-

tract with then to lay down in Hartford the said steam-supply apparatus.

5. That said Harvey & Son entered upon the performance of said job at Hartford as the agent and under the directions of the said Hartford Company; that they were also employed and acted as the agent of said Hartford Steam Supply Company in obtaining for them the best prices they could in the purchase of iron and wooden pipes and in obtaining the best rates they could for freight from Michigan or elsewhere and in obtaining rebates in freight when necessary, and that said steam company relied upon their judgment in said matters, and that in all their negotiations and dealings with Ayrault, Jennison & Co. they acted on behalf of and as the agents merely of said Hartford Steam Co.

6. That after said Hartford Co. had perfected said contract with said Harvey & Son they sent various written orders during the year 1880 by mail to the address of said defendant at Bay City, Michigan, to ship to them at Hartford, Connecticut, certain quantities of wooden piping; that said defendants accepted the same and manufactured said piping at their factory under said patents and in conformity with the description and covered by the claim of said Wyckoff patent, and sold and delivered the same to the said
42 Hartford Co. on board the cars at Bay City, Michigan, addressed to them, and that they had nothing to do with said piping after the delivery of the same on the cars at Bay City; that said Hartford Co. paid the freight thereon from Bay City to Hartford and sent drafts for the payment of said piping to defendants at Bay City; that none of the wooden pipes used in the laying of said steam-supply apparatus at Hartford were sold to said Harvey & Son, but was all sold to said Hartford Steam Co., and that any orders made by Harvey & Son were made merely as the agents of the Hartford Steam Co.

7. That said piping so purchased was laid down in Hartford during the term of said patents, and that during the negotiations connected with the sales and shipment of said pipe or casing defendant's firm knew that it was for use in the construction of steam-heating works in the city of Hartford, State of Connecticut, and that said Harvey & Son were to lay said pipe in Hartford.

8. That the accounts for said sales to said Hartford Co. were kept on the books of said Ayrault, Jennison & Co. in the name of the Hartford Steam Co., and that a statement of the entire account from their books of said sales was sent to them at the close of the year.

9. That said pipe or casing was laid down as a part of said works during the life of said patents in the summer and fall of 1880 under said Harvey's directions in the streets of Hartford.

10. That by the acts and doings of defendant's firm in the premises, as above stated, the plaintiff sustained damage, and if any recovery were permissible under the rules of law, they would be entitled to an inquiry to ascertain the amount of such damage, based on the testimony introduced by said plaintiff.

43 As a conclusion of law from the foregoing facts, I find that the plaintiffs are not entitled to recover in this action.

Judgment is accordingly entered in favor of the defendant, with costs.

HENRY B. BROWN,
Dist. Judge.

Detroit, May 8, 1889.

Filed May 8, 1889.

WALTER S. HARSHA, *Clerk.*

44 The Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE & Another, Pl'nt'ff,
vs.
CHAS. E. JENNISON, Impleaded, etc.

I hereby consent that an order be entered in said cause substituting the name of Wm. Jennison as attorney for the defendant in my stead.

GEO. H. LOTHROP.

Detroit, May 8, 1889.

45 *Order Substituting Wm. Jennison as Att'y for Defendant.*

At a session of the circuit court of the United States for the eastern district of Michigan, continued and held pursuant to adjournment at the district court-room, in the city of Detroit, on Friday, the tenth day of May, in the year one thousand eight hundred and eighty-nine.

Present: The Honorable Henry B. Brown, district judge.

ISAAC S. HOBBIE *et al.*
vs.
CHARLES E. JENNISON *et al.*

On reading and filing stipulation of George H. Lothrop, attorney for defendant consenting, ordered that William Jenison be, and is hereby, substituted in the place of said George H. Lothrop as attorney of record in said cause.

46 *Plaintiff's Exceptions to Special Findings.*

The Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE & JOHN A. HOBBIE
vs.
CHARLES E. JENNISON, Defendant.

Certain specific findings of fact having been filed by the court in the above-entitled cause, together with the conclusion of the court therefrom as follows, to wit, that the plaintiffs in said cause are not entitled to recover in this action, and judgment upon said find-

ings of fact and conclusion of law having been entered in favor of defendant with costs, now come the said plaintif-ss, by their attorney, and except to the said conclusion of law and to the said judgment, and say that the said conclusion of law is not supported by the said findings of fact or by the evidence in said cause, but that the said findings of fact require as a conclusion of law therefrom that said plaintiffs are entitled to recover in this action against the said defendant, and that judgment should be rendered in favor said plaintiffs with costs against the said defendant.

ALBERT P. JACOBS,
Attorney for Plaintiffs.

Dated Detroit, May 11, 1889.
Filed May 11, 1889.

WALTER S. HARSHA, *Clerk.*

47 Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE and JOHN A. HOBBIE,
vs.
CHARLES A. JENNISON, Impleaded, etc.

It is hereby stipulated by and between the parties in the above-entitled cause that on order may be entered as by consent in said cause extending the time for the settlement of a bill of exceptions in said cause until the expiration of sixty days from and after the seventh day of June, 1889.

Dated Detroit, June 9, 1889.

ALBERT P. JACOBS,
Attorney for Plaintiff-.
WM. JENNISON,
Att'y for Defendant Jennison.

48 *Stipulation Relating to Special Findings.*

United States Circuit Court, Eastern District of Michigan.

ISAAC S. HOBBIE & JOHN A. HOBBIE, Plaintiffs,
vs.
CHARLES E. JENNISON, Defendant, Impleaded, &c.

It is hereby stipulated by and between the respective parties in this cause that the special finding of the court upon the facts and conclusion of law thereon subscribed by the judge before whom the said cause was tried, and which has been heretofore filed with the clerk of this court, together with the exceptions thereto, shall be deemed made, allowed, and entered of record *nunc pro tunc* in the said cause as of the fourth day of March, A. D. 1889, at or about which date the opinion of the court, conformable to said findings,

was filed, and that an order of this court be now entered accordingly.

ALBERT P. JACOBS,
Att'y for Pl'ffs.

Dated Detroit, Sept. 21, 1889.

WM. JENNISON,
Att'y for Def't.

Filed Oct. 12, 1889.

WALTER S. HARSHA, *Clerk.*

49 *Order that Special Findings Be Filed Nunc pro Tunc.*

At a session of the circuit court of the United States for the eastern district of Michigan, continued and held pursuant to adjournment in the district court-room, in the city of Detroit, on Saturday, the twelfth day of October, in the year one thousand eight hundred and eighty-nine.

Present: The Honorable Henry B. Brown, district judge.

ISAAC S. HOBBIE and JOHN A. HOBBIE
vs.
CHARLES E. JENNISON *et al.*

On filing stipulation of parties it is ordered that the special findings of the court and the conclusions of law thereon heretofore filed shall be deemed made, allowed, and entered *of nunc pro tunc* as of the fourth day of March, 1889.

50 *Plaintiffs' Assignments of Error.*

United States of America, Supreme Court.

ISAAC S. HOBBIE and JOHN A. HOBBIE, Plaintiffs in Error,
vs.
CHARLES E. JENNISON (Impleaded with ISAAC N. HILL), Defendant in Error.

Afterwards, to wit, on the fourteenth day of October, A. D. 1889, before the Justice of the Supreme Court of the United States of America, comes the said Isaac S. Hobbie and John A. Hobbie, by James A. Allen, their attorney, and say that in the record and proceedings aforesaid and also in the giving of judgment aforesaid there is a manifest error, in this, to wit: By the record aforesaid it appears that the said circuit court found as the conclusion of law from the findings of fact aforesaid that they, the said Isaac S. Hobbie and John A. Hobbie, are not entitled to recover in said cause against the said Charles E. Jennison, whereas by the law of the land as applicable to the facts found as aforesaid by the said circuit court they, the said Isaac S. Hobbie and John A. Hobbie, were and are entitled to recover in said cause against said Charles E. Jennison; wherefore the said circuit court should have found as matter

of law in conclusion from said findings of fact that they, the said Isaac S. Hobbie and John A. Hobbie, are entitled to recover in said cause against said Charles E. Jennison and to have judgment accordingly.

51 There is also error in this, to wit, that by the record aforesaid it appears that the judgment aforesaid was given for the said Charles E. Jennison against the said Isaac S. Hobbie and John A. Hobbie, whereas by the law of the land the said judgment ought to have been given for the said Isaac S. Hobbie and John A. Hobbie against the said Charles E. Jennison.

And for the errors aforesaid it is prayed that the said judgment be reversed and held for naught.

JAMES A. ALLEN,
Attorney for Plaintiffs in Error.

Filed Oct. 14th, 1889.

WALTER S. HARSHA, *Clerk.*

52 The Circuit Court of the United States for the Eastern District of Michigan.

ISAAC S. HOBBIE and JOHN S. HOBBIE
vs.
CHARLES E. JENNISON, Impleaded, etc.

I, Walter S. Harsha, clerk of the circuit court of the United States for the eastern district of Michigan, do hereby certify and return to the writ of error sued out by the plaintiffs in the above-entitled cause that the above and foregoing is a true and correct copy of the record of the proceedings of the said court in said cause as the same remains on file and of record in my office; that I have compared the same with the original, and it is a true transcript therefrom and it is the whole thereof.

In testimony whereof I have hereunto set my hand and affixed the seal of said court, at Detroit, in said district, this fifteenth day of October, A. D. one thousand eight hundred and eighty-nine, and of the Independence of America the one hundred and fourteenth.

Seal of the Circuit Court, Eastern District of Michigan.

WALTER S. HARSHA, *Clerk.*

Endorsed on cover: Case No. 13,889. E. Michigan C. C. U. S. No. 270. Isaac S. Hobbie and John A. Hobbie, plaintiffs in error, *vs.* Charles E. Jennison. Filed October 28, 1889.

FILED.
APR 14 1893
JAMES H. McKENNEY,
CLERK.

SUPREME COURT

OF THE UNITED STATES.

OCTOBER TERM, 1892.

No. 270.

ISAAC S. HOBBIE AND JOHN S. HOBBIE,

Plaintiffs in Error,

vs.

CHARLES E. JENNISON,

Defendant in Error.

BRIEF OF PLAINTIFFS IN ERROR.

JAMES A. ALLEN,

Of Counsel for Plaintiffs in Error,

Buffalo, N. Y.

SUPREME COURT OF THE UNITED STATES.

TERM No. 270.

ISSAC S. HOBBIE AND JOHN A. HOBBIE, PLAINTIFFS IN ERROR,

vs.

CHARLES E. JENNISON, DEFENDANT IN ERROR.

BRIEF OF PLAINTIFFS IN ERROR.

STATEMENT OF THE CASE.

This suit is an action at law brought in the United States Circuit Court for the Eastern District of Michigan, for alleged infringement of Letters Patent, No. 45,201, dated November 22nd, 1864, granted to Arcalous Wyckoff for an improvement in pipes. The declaration alleged that the plaintiffs, who were citizens of the state of New York doing business at Tonawanda therein, were territorial owners of the Wyckoff patent, for the states of New York, Connecticut and other specified parts of the United States; and that the defendant at certain dates in the years 1880 and 1881, shipped from Bay City in the state of Michigan to the Hartford Steam Company of Hartford, Conn., quantities of wooden pipe embodying the invention described in the patent, with intent that the same should be laid and used at said Hartford, and that in pursuance of the acts and contrivance of the defendant and with his aid and co-operation, such pipe was unlawfully laid and used at Hartford, within the territory owned by the plaintiffs. The defendant filed a plea of not guilty. A stipulation in the cause was made and filed, waiving jury trial under section 649 of the Revised Statutes, and the cause was tried before Honorable Henry B. Brown, the then District Judge, without a jury, on the ninth day of January, 1889. A decision of the Court was filed on the fourth day of March in the same year, in favor of the defendant. Special findings of fact were made and filed in the Court below as of the said fourth day of March, which appear on pages 18 and 19, and 13 and

SUPREME COURT OF THE UNITED STATES.

TERM No. 270.

ISSAC S. HOBBIE AND JOHN A. HOBBIE, PLAINTIFFS IN ERROR,

vs.

CHARLES E. JENNISON, DEFENDANT IN ERROR.

BRIEF OF PLAINTIFFS IN ERROR.

STATEMENT OF THE CASE.

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14 of the record. The validity of the patent was not drawn in question in the case, and the only issue was that of infringement. A writ of error was allowed on the 14th day of October in the same year, in pursuance of which the record in the cause including the findings of fact by the Court, and its judgment and opinion are brought into this Court for review.

ASSIGNMENT OF ERRORS.

The plaintiffs in error assign as errors.

I.

The defendant as a member of the firm of Ayrault, Jennison & Company was guilty, under the facts found by the Court below, of an invasion of the rights of the plaintiffs in error as territorial owners of the patent for the state of Connecticut, and the plaintiffs were entitled to recover.

II.

The acts of the defendant's firm set forth in the findings which resulted in the placing for use, and use at Hartford, Conn., of pipe manufactured by defendant's firm, in displacement of the plaintiffs' territorial market, was in excess of the rights of such firm as owners of the patent for Michigan, and the judgment in favor of the defendant was erroneous.

III.

The conclusion of the Court below under the facts specially found is erroneous, and the judgment should be reversed.

ARGUMENT.

The argument in this cause involves the line of division between the rights of territorial owners of the same patent. The plaintiffs in error were owners for the state of Connecticut and other territory, and operated a factory at Tonawanda, in New York, for the purpose of supplying the district for which they held title to the patent. The defendant was a member of the firm of Ayrault, Jennison & Company operating a factory at Bay City in Michigan, and having the title to the patent for Michigan. The charge of the plaintiffs is that the acts of the defendant's firm, having for their purpose the planting at Hartford within the plaintiffs' territory, of pipe manufactured by the former, was a violation of the rights of the plaintiffs as owners of the patent for the territory to which the patented pipe was shipped by the defendant, and where in fact it was laid and used.

The substance of the findings of the Court below, briefly stated, is about as follows: On the 5th of May, 1880, Andrew Harvey & Son of Detroit, machinists, completed a contract with the Hartford Steam Company to lay down lines of steam pipe apparatus for heating purposes in the streets of Hartford. Harvey & Son were employed by the Hartford Steam Company as its agents to obtain the best prices they could in the purchase of iron and wooden pipes, and the best rates they could for freight from Michigan or elsewhere Harvey & Son entered into negotiations with Ayrault, Jennison & Company, of which the defendant was a member, with respect to the furnishing of wooden pipe for the use of said Hartford Company made in accordance with the Wyckoff patent. During the negotiations leading to the sale by Ayrault, Jennison & Company of such pipe, and before delivery of the same, defendant's firm knew that the same was for use in the construction of steam heating works in the city of Hartford, state of Connecticut, and that Harvey & Son were to lay such pipe in Hartford. Written orders during the summer of 1880 for such pipe were sent by mail to the address of the defendant's firm at Bay City, Michigan, directing the latter to ship such pipe to said Hartford Steam Company at Hartford, Conn.; a part of such orders being given by Harvey & Son as agents of the Hartford Steam Company and the residue by officers of such company at Hartford. Charged with the knowledge that such pipe was to be so laid and used at said Hartford, Ayrault, Jennison & Company accepted the orders and delivered the pipe, made in conformity with the description and covered by the claim of the Wyckoff patent, on board the cars at Bay City, Michigan, addressed by them to said Hartford Steam Company at Hartford, Conn. The Hartford Steam Company paid the freight on the pipe from Bay City to Hartford and mailed drafts on New York from Hartford, in payment for said pipe, to defendant at Bay City. The pipe or casing so sent was laid as a part of the works of the Hartford Steam Company during the life of the patent in the summer and fall of 1880 under said Harvey's directions in the streets of Hartford, and by the acts and doings of the defendant's firm in the premises, the plaintiffs sustained damage.

The fact relied on by the defense in the case as a controlling one, is, that by arrangement between the Hartford Steam Company and Ayrault, Jennison & Company it was understood that payment of freight on the pipe should be made by the former, the carrier through this arrangement becoming the agent of the buyer and there thus being a technical delivery by Ayrault, Jennison & Company to a carrier at Bay City.

In contesting that this view of the case is governing, it is considered on the part of the plaintiffs in error, that the transactions embraced in the findings must be looked upon as a whole. The point to be gained by both the Hartford Company and Ayrault, Jennison & Company was to take from the plaintiffs their lawful market for the patented product at Hartford. The acts of both

parties necessarily contemplated this result, and the motive in the interest of both was to relieve the purchase price of the pipe of the burden of all royalties to the plaintiffs; the saving so made standing for the mutual profit of buyer and sellers. It would follow therefore, as the plaintiffs would not be consulted in the matter, that it would be arranged between parties thus interested that the carrier should be agent of the buyer or seller as would be deemed most to their advantage. This fact did not lessen the invasion on the plaintiffs or the injury which they sustained and which it was in the design of the two parties to accomplish, for through the purchase and shipment of the pipe as made with the knowledge and co-operation of buyer and sellers, the market of the plaintiffs was to be taken away from them without their consent.

Under the findings of the Court the plaintiffs were assignees and owners of the Wyckoff patent for New York, New England and other states,and carried on business as manufacturers of the patented pipe at Tonawanda in the state of New York, with sufficient facilities to supply the market in all the territory owned by them. By the Act of July 8, 1870, re-enacted in section 4,898 of the Revised Statutes, "every patent or any interest therein shall be assignable in law by an instrument in writing; and the patentee or his assigns or legal representatives may in like manner, grant and convey an exclusive right under his patent to the whole or any specified part of the United States." The plaintiffs took for the state of Connecticut the whole grant of the patent, viz;–the exclusive right to make ,*use* and vend the invention therein. The findings also state that the firm of Ayrault, Jennison & Company was the assignee of the same patent for the state of Michigan. No distinction is made in the findings between the parties with respect to priority of grant; both stand on a like footing; the defendant's firm is absolute owner of the patent for Michigan, the plaintiffs' for Connecticut. This territorial partition does not stand in any respect on sufferance, but on the positive permission and authority of the statute. The division of rights thus made is entitled to be fairly carried out and either party to be protected from encroachment by another upon his own exclusive estate. The acceptance by an assignee of such a grant implies acceptance as well of the limitations and boundaries of the grant. While the assignee may enjoy his own, he may not take under cover of his own rights what legally and equitably are the right and property of another; and the method by which he may take what lies outside his own privilege is always subordinated to the fact and substance of the taking. Owners of territorial estates under the statute in the patent are not relieved from the exercise of good faith and fairness of dealing towards each other. The use of the patent within the state of Connecticut lay exclusively within the plaintiffs' grant and lay outside the defendant's. If the defendant was an actor to deprive the plaintiffs of this use and to secure it for himself or others, he was acting in excess of any authority or privilege which had been granted to him, and his conduct was an infringement

upon the plaintiffs. Purely technical views and reasoning on the question of division of rights between territorial owners ought not to be controlling. The real question is whether or not, without regard to the form of the transaction given to it by parties in adverse interest, there has been accomplished the substance of an invasion. We hold that this existed in the present case.

The merits and intrinsic justice of the plaintiffs' claim were not denied in the Court below. The principle of the cases where acts tending to infringement are done by a defendant with an intent and knowledge that a complete infringement will be produced, was cited by that Court with approval and as properly applicable to this case. So far as decisions in the Circuit Courts may establish a principle, the rule must be deemed established that where the acts of several persons separately done make up an infringement and all are animated by the same purpose, it is not a good defense to one of these actors to allege that his own acts did not alone cause it.

Richardson *vs.* Noyes, 2 B. & A., Lowell, J.
Bowker *vs.* Dows, 3 B. & A., Lowell, J.
Wallace *vs.* Holmes, 9 Blatch. 65, Woodruff, J.
Saxe *vs.* Hammond, 1 Holmes, 456, 7 O. G. 781, Shepley, J.
Travers *vs* Beyer, 23 Blatch., 423, 26 Fed. Rep. 45, Wallace, J.
Alabastine Co. *vs.* Payne, 27 Fed. Rep., 559, 35 O. G. 1,438, Coxe, J.
Celluloid Manuf'g Co. *vs.* Am. Zylonite Co., 30 Fed. R., 437, Shipman, J.
Schneider *vs.* Pountney, 21 Fed. R. 399, Nixon, J.
Harper *vs* Shoppell, 28 Fed. R., 613, 615, Wallace, J.
Renwick *vs.* Pond, 10 Blatch., R. 40, 50, Blatchford, J.
Boyd *vs.* Cherry, 50 Fed. 279, McCrary, J.
Sneider *vs.* Missouri Glass Co., 36 Fed., 582, Thayer, J.
Snyder *vs.* Bunnell, 29 Fed., 47, Coxe, J.

The doctrine of these cases was applied by this Court in the case of Cotton Tie Co *vs.* Simmons, being cited and approved 106, U. S., 89, 95.

Saxe *vs.* Hammond, and Bowker *vs.* Dows.

In the case at bar the defendant's part in producing the infringement was the main one. From the statement of facts filed with the opinion of the Court it appears that on the 12th of May a contract having special reference to the Hartford order, as is shown by a letter of the same date, was signed between the defendant's firm and Harvey & Son, pages 13–14, by the terms of which defendant agreed to pay Harvey & Son a commission of 10 per cent. on all orders sent through them direct and also upon all orders they might influence, to take the casing at the rate of $20 per thousand feet on cars at Bay City, and that this commission was subsequently so paid to Harvey & Son on all pipe covered in this cause. (page 14.) The defendant's solicitation for an order to supply plaintiffs'

market at Hartford took this expressive form; and the fact that Harvey & Son are found by the Court, notwithstanding this acceptance of commissions from Ayrault, Jennison & Co., to have been agents of the Hartford Steam Company and not of Ayrault, Jennison & Company is not material. If the commission be considered as paid to the Hartford Steam Company the case would not be altered. Ayrault, Jennison & Company were actors from the start of the negotiations to obtain such an order as was given them, for the purpose of producing the effect which they knew it would cause to the plaintiffs and their rights to exclusive territory. To hold these acts lawful is to hold that the defendant's firm might apply and take for their own benefit a right of use which they knew had been granted exclusively to the plaintiffs. It was not the sale which caused the injury, but the sale with a specific destination for use within the plaintiffs' territory and with that destination solely.

The hindrance to carrying out the views of the Court below on the merits of the case expressed on page 16 of the record, was found in the authority of Adams vs Burks, 17 Wall. 453. The plaintiffs in error, however, seek on this appeal a review of the application which has been made of Adams vs Burks to this case, rather than of the essential doctrine of that case. The contention of the dissenting members of this Court in that cause was that use of a patented article lawfully purchased of an assignee of specific territory could only be had within such territory and in no case beyond or outside it within the United States, and that, as to use of the thing patented, the purchaser only acquired the right to such use within the territory held by the seller. A case may possibly arise in which this Court will be called on to revise or modify the ruling of the majority of this Court in deciding against this contention; but it is our view that the present case does not involve it. In Adams vs Burks it is assumed that the patented coffin lids were first lawfully sold to the purchaser without condition or restriction by assignees of the patent for the territory of Boston and vicinity; and then the question is presented whether, as an incident of such a lawful sale, the buyer could use outside the limits of the title of the assignor the article so lawfully and rightfully purchased. The case was heard *on bill and plea*, and the plea, which was accepted as true, and which was entitled to be liberally construed in favor of the pleader, expressly stated that the coffins containing the invention were manufactured by Lockhart & Seelye within a circle whose radius was ten miles, having the city of Boston as its centre and sold within said circle by said Lockhart & Seelye without condition or restriction. The validity of the sale by Lockhart & Seelye was in that case assumed throughout, and no contest made upon it; only the effect and incidents of such a lawful sale were disputed and considered. There was no showing that the sellers sold the patented coffin lids *for use in other territory*, or that they knew of or had in view any such use. In both stages of this case in all references made to it, the lawfulness of the sale

by Lockhart & Seelye to Burks was conceded and the dispute was whether or not the sale and purchase being valid and lawful, as an incident thereof the purchaser might use the goods in other territory. In the present case the lawfulness, as against the plaintiffs in error, of the alleged sale of the patented pipe by Ayrault, Jennison & Company in the actual circumstances of such sale, is exactly what is contested; the claim of the plaintiffs being that such sale and the shipments thereunder *expressly for use within the territory of the plaintiffs*, constituted an invasion upon the rights of the plaintiffs and as against them were unlawful. Actual sale, delivery and acceptance of the pipe at Bay City for general use, would be one thing; a form of delivery at Bay City with acceptance at Hartford, and knowledge and intent on the part of the seller that the sole use would be at Hartford, and shipments on that basis and understanding as against the plaintiffs, in our view would not constitute a lawful sale of the pipe at Bay City. The transaction would be treated in the light of its purpose and effect as a raid or invasion on the plaintiffs' territory and an attempt to displace and intrude upon his rightful market. If the defendants sought protection in such a transaction through a mere arrangement that delivery should be on cars at Bay City, the shield would be unavailing. The law would stamp the transaction with its real attributes and deem it unlawful.

The general current of decisions in the Circuit Courts has shown no inclination to extend the doctrine of Adams *vs.* Burks, by loose or liberal interpretations. In those Courts it has been repeatedly ruled that a sale in the territory of one assignee for the purpose of selling again to users in the territory of another assignee was unlawful.

California Electrical Works *vs.* Finck, 47 Fed. 583 (1891).
Standard Folding Bed Co. *vs.* Keeler, 37 Fed. R. 693. 51 O. G. 480 (1889).
Hatch *vs.* Adams, 22 Fed. Rep. 434 29 O. G. 776 (1884).
Hatch *vs* Hall, 40 O. G. 13, 42. 30 Fed. 613 (1887).

In Hatch *vs.* Hall a recovery was had against the assignee for New York and Brooklyn, for selling within those cities to buyers who were known to buy for the purpose of selling in Pennsylvania, the territory of another assignee. If this case was rightly adjudged it is in effect a decision against the right of the owner of a particular territory to sell specifically for use at places outside his own district where ownership of the patent is held by others. A sale in New York to a buyer known to buy for the purpose of selling again in Pennsylvania differs little from a sale at Bay City, expressly for use at Hartford, the use at Hartford at the time of the sale being in the view and intention of both buyer and sellers. In either case the attempt which is made is to sell and dispose of a market which is not for the seller to sell or for the buyer to buy of or from the person who sells. The substance of the act if consummated amounts to a virtual fraud on the owner of the market which is sought to be thus supplied.

In other cases in the Circuit Courts the doctrine that a lawful sale by one assignee carries to a buyer a general right of use of the article or machine sold in any part of the country, has been sought to be restricted by an inquiry into the order of priority of the rights of the several assignees of different territories, holding that a sale by a first assignee would give a right to use in the territory of a second assignee, while a sale by a second assignee would not convey a right to use in the territory of the first assignee.

McKay *vs.* Wooster, 2 Sawyer, 373, 3 O. G. 441 (1873).
Sheldon Axle Co. *vs.* Standard Axle Works, 37 Fed. 789, 48 O. G. 117 (1889).

This doctrine savors of refinement and it is not directly involved in the present case, because it proceeds in the first instance upon the assumption of a lawful and valid sale made within the territory of a first assignee, the article bought being afterwards carried into other territory and the question raised being whether or not the right of use in such other territory is an incident following upon such lawful sale and purchase.

In the case of Dorsey Revolving Harvester Rake Co. *vs.* Bradley Manufacturing Co., 12 Blatch, 202, 1 B & A., 335–6, (1874), Judge Woodruff of the Second Circuit refers to the decision by the Supreme Court in Adams *vs.* Burks, as "cautiously guarded" and "carefully limited to the precise case than under consideration" and asks but does not answer a question bordering on the one presented in this case: "May one having a license to make and sell within a limited territory only, deliberately contract to supply the patented invention for use in other territory, provided his manufacture and his actual negotiation of sales are within the privileged limits, and may he practically avail himself of the markets of the whole country?"

The decisions made in the Circuit Courts above referred to, are not cited as authorities in this Court. There is no authority in this Court of which we are aware subsequent to Adams *vs.* Burks. The case of Graff *vs.* Boersch, 133 U. S. 697, does not touch directly the question presented. The decisions in the Courts below, as a whole are critical and restrictive of the application of Adams *vs.* Burks and show no inclination to extend the authority of that case; they are proper to be brought before this Court to aid it in its consideration of the subject when making an authoritative and final adjudication on the rights of territorial owners of patents.

The question before this Court is one of the greatest importance likely to arise under the patent law. It involves, not merely whether territorial assignees shall hold substantially according to their terms the grants which have been made to them; but whether the investments which they have made on the foundation of their patent titles and on the supposed guaranty and assurance of the government, shall be duly protected, and whether their vested business rights to a traffic shall be respected.

The acts of the defendant's firm were an attack on the investment of the plaintiffs in their factory at Tonawanda tending to leave it with no orders on its hands and with its workmen unemployed. On the other hand this firm was left with its own demand untouched, and gathering employment for its machinery and operatives from a locality for which it paid no royalty or other tax of invention, and the supply for which it could produce from extra running time of a factory established for other work. Consequently it was in a position to undersell the plaintiffs, and enabled still to obtain a margin of profit for the spreading abroad of circulars and for pay to travellers in territory which it did not own, and even for bribes to purchasing agents for influence in such territory to direct this character of trade to it If the position of the plaintiffs in error is sound this species of aggressive trans-territorial competition between local owners of a partitioned patent is not legitimate It was not authorized that the defendant's firm should solicit for supplying the plant of the Hartford Steam Company in the city and streets of Hartford with this pipe, and should ship to that destination such pipe for that express pupose, with full knowledge as the Court has found of the ownership of the plaintiffs for that locality, and with the intent that the pipe should be used there, to the loss and injury of the plaintiffs, and without their license.

It is believed that the reciprocally predatory and destructive kind of user of patent privileges which would follow from the adoption of the rule sought to be established by the defendant will not be approved by this Court. It does not remain to be doubted that the principle for which we contend, while it does not throw wide the doors to marauding competition, is more favorable to stability of vested rights and to honest dealing. Neither can it be doubted that it is in accord with the wholesome and salutary intention to be ascribed to the statute, that these limited grants of exclusive right partitioned out by inventors as a means of obtaining the price and reward of their skill and effort, shall, so far as reasonably may be, be protected in their integrity. The monopoly has but a brief term, and the general public has not long to wait before competition becomes free and it can take full and entire possession and control of any and every species of manufacture. Is it not just that while these grants exist in force and life, they be so construed and applied that the rights of the owners may have real value and do not become unnecessarily the occasion of the loss and sacrifice of investments behind them which rest upon their faith and credit? The question before the Court is of a rule of property right of permanent obligation with all owners of this species of property, and we doubt not it will be considered with all the care and deliberation which its gravity requires.

CONCLUSION.

The judgment in favor of the defendant should be reversed and the cause remanded to the Court below with instructions to take such further proceedings therein as this Court shall direct.

JAMES A. ALLEN,

Of Counsel for Plaintiffs in Error,

Buffalo, N. Y.

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Supreme Court of the United States.

OCTOBER TERM, 1892.

ISAAC S. HOBBIE and JOHN A. HOBBIE,
Plaintiffs in Error,
vs.
CHARLES E. JENNISON,
Defendant in Error.

Case No. 13,889.
Term 270.

Error to the Circuit Court of the United States for the Eastern District of Michigan.

Brief for Defendant in Error.

GEO. H. LOTHROP,
Counsel for Deft. in Error.

DETROIT:
John F. Eby & Co., Printers.
1893.

Supreme Court of the United States.

OCTOBER TERM, 1892.

ISAAC S. HOBBIE and JOHN A. HOBBIE, *Plaintiffs in Error,* vs. CHARLES E. JENNISON, *Defendant in Error.*	*Case No. 13,889. Term No. 270.*

ERROR TO THE CIRCUIT COURT OF THE UNITED STATES

FOR THE EASTERN DISTRICT OF MICHIGAN.

BRIEF FOR DEFENDANT IN ERROR.

STATEMENT.

This was an action at law for the alleged infringement of a patent.

By stipulation (p. 11) it was tried without a jury, and judgment rendered in favor of defendant.

Plaintiffs bring error, assigning only one error, viz., that upon the facts found the judgment should have been for the defendant.

The case, shortly stated, was this:

In 1880 the plaintiffs owned a patent for a wooden pipe, used principally as a casing for iron steam pipes, for Connecticut and other States, and the defendant owned it for Michigan.

The Hartford Steam Co., a Connecticut corporation, in 1880 built a steam supply system in the streets of Hartford, employing Andrew Harvey & Son, of Detroit, Mich., to do the work.

The Hartford Steam Co. purchased some of the patented wooden pipe, or casing, at Bay City, Mich., from the firm of Ayrault, Jennison & Co., of which defendant Jennison was a member, shipped it to Hartford and used it in building its steam supply system.

The sale by defendant constituted the alleged infringement.

The plaintiffs brought suit, claiming that defendant had infringed their patent rights in Connecticut.

On the trial below plaintiffs claimed

(*a*) That Harvey & Son were the agents of defendant, Jennison, and, as such agents, sold the pipe in Connecticut to the Harford Steam Co., and

(*b*) That because the pipe sold by defendant was used in Connecticut, and defendant knew that it was to be so used, defendant infringed plaintiffs' rights as owners of the patent for Connecticut.

The trial court made special findings of fact, which of course are conclusive for the purposes of this hearing.

Prentice vs. Lane's Adm'r., 8 How., 470.

Under the findings the following facts are settled.

1. That plaintiffs were assignees and owners of the Wyckoff patent for New York, New England etc., and manufactured the patented pipe at Tonawanda. This the defendant knew.

2. Defendant Jennison and his partners Ayrault and Hill owned the same patent for Michigan, and in 1880 manufactured the patented pipe at Bay City, Michigan, and sold it to various persons.

3. In 1880, Andrew Harvey & Son did business in Detroit, Michigan, as machinists, etc.

4. In 1880, the Hartford Steam Co., a Connecticut corporation, undertook the construction of a steam supply plant in Hartford, and on May 5, 1880, contracted with Harvey & Son to lay down in Hartford the said steam supply apparatus.

5. That Harvey & Son entered upon the performance of said work, were employed by, and acted as agents for said Hartford Steam Co., in obtaining for said Co. the best prices for the purchase of iron and wooden pipe, the best freight rate from Michigan and elsewhere, freight rebates, "and that in all their negotiations and dealings with Ayrault, Jennison & Co., they acted on behalf of and as the agents merely of said Hartford Steam Co."

6. That after said Hartford Co., had perfected said contract with said Harvey & Son they sent various written orders during the year 1880, by mail, to the address of said defendant at Bay City, Michigan, to ship to them at Hartford, Connecticut certain quantities of wooden piping; that said defendant, accepted the same and manufactured said piping at their factory under said patents and in conformity with the description and covered by the claim of said Wyckoff patent, and sold and delivered the same to the said Hartford Co., on board the cars at Bay City,

Michigan, addressed to them, and that they had nothing to do with said piping after delivery of the same on the cars at Bay City; that said Hartford Co., paid the freight thereon from Bay City to Hartford, and sent drafts for the payment of said piping to defendants at Bay City; that none of the wooden pipes used in the laying of said steam supply apparatus at Hartford were sold to said Harvey & Son, but was all sold to said Hartford Steam Co., and that any orders made by Harvey & Son were made merely as the agents of the Hartford Steam Co."

7. That the pipe sold by defendant to the Hartford Steam Co. was laid down in Hartford, and that during the negotiations therefor the defendant knew that it was to be used in Hartford.

8. That the account on defendants' books for said pipe was kept in the name of the Hartford Steam Co., and a statement of the entire account was sent to them at the close of the year.

9. That said pipe or casing was used during the life of said patent in the summer and fall of 1880.

Under these findings of fact, the Court found as conclusion of law that defendant was not liable.

Argument.

It is settled by Special Findings 5 and 6 that Harvey & Son acted during this whole transaction as the agents of the Hartford Steam Co.

This disposes of plaintiffs' claim that Harvey & Son as defendants' agents sold this pipe to the Hartford Steam Co., at Hartford.

The Sale was Made in Michigan.

As I understand the law, a sale is complete when nothing remains to be done except payment by the vendee at the stipulated time, and under such circumstances a delivery of the goods by the vendor to a common carrier consigned to the vendee is a delivery to the vendee.

This is well stated by Coxe, J., in

Hobbie vs. Smith, 27 Fed. Rep., 656.

And the case is still stronger when the delivery is made to a common carrier selected by the vendee.

Cross vs. O'Donnell, 44 N. Y., 661.
Maxwell vs. Brown, 39 Me., 98.

The Hartford Steam Co. "sent various written orders during the year 1880 by mail to the address of said defendant at Bay City, Michigan, to ship to them at Hartford, Connecticut, certain quantities of wooden piping, that said defendants accepted the same."

That said defendants "*sold and delivered the same to the said Hartford Co., on board the cars at Bay City, Michigan, addressed to them, and that they had nothing to do with said piping after the delivery of the same on the cars at Bay City; that said Hartford Co. paid the freight thereon from Bay City to Hartford, and sent drafts for the payment of said piping to defendants at Bay City.*" (Finding 6, p. 19, Rec.)

Thus the transaction was complete at Bay City, Michigan, and the sale was made there.

And moreover, the facts found warrant the conclusion that the Hartford Steam Co. designated the carrier.

The Hartford Steam Co. had considerable correspondence with its agents, Harvey & Son, "and also as to the best terms for freight from Bay City, Michigan, and elsewhere, to Hartford, Connecticut." (Finding 3, p. 18, Rec.)

Harvey & Son acted as agents for the Hartford Steam Co., "in obtaining the best rates they could for freight from Michigan or elsewhere, and in obtaining rebates in freight when necessary." (Finding 5, p. 19, Rec.)

Evidently defendant had nothing to do with selecting the carrier, for all the dealings with the carrier were had by the Hartford Steam Co. or its agent, Harvey, and it seems certain that they must have selected and designated to defendant the carrier from whom they got the most favorable terms.

From these facts I submit that the sale of the piping in controversy was made by the defendant in Michigan, where he had a perfect right to make and sell it.

THE FACT THAT THE PIPING SOLD BY DEFENDANT WAS USED IN CONNECTICUT DOES NOT MAKE DEFENDANT LIABLE IN THIS ACTION.

This proposition is settled by

Adams vs. Burke, 17 Wall., 453.

In that case Lockhart & Seelye owned a patent for part of Massachusetts, including the city of Boston. They sold the patented article in Boston to the defendant without any condition or restriction. The defendant used or sold the patented article outside of Lockhart & Seelye's territory, and for this he was sued.

The defendant was held not liable on the ground that Lockhart & Seelye had the right to make the sale, and "that the sale by a person who has the full right to make, sell and use such a machine, carries with it the right to the use of that machine to the full extent to which it can be used in point of time," and that "when they are once lawfully made and sold, there is no restriction on their use to be implied for the benefit of the patentee or his assignees or licensees."

And this decision could not have been rendered without first deciding the right of Lockhart & Seelye to sell in Boston, for as

well put by the learned judge who decided this case below, "If the user of the article is not liable to the patentee, it is because he purchased it of a person who had the legal right to sell it, and if it were legal for him to buy it was equally legal for the other party to sell." (Rec. p. 17, fol. 37.)

IT IS IMMATERIAL IN THIS CASE WHETHER DEFENDANT KNEW THAT THE PIPE SOLD BY HIM TO THE HARTFORD STEAM COMPANY WAS TO BE USED IN CONNECTICUT.

Plaintiffs' contention is very fully stated by the learned district judge on page 16 of the record, folios 35 and 36.

Reasoning from a line of authorities holding that where a party makes one element of a patented combination with the intent that another or others shall supply the other elements, and thus make the whole combination, he is guilty of infringement because he contributes to the infringement, plaintiffs insist that defendant is guilty of infringement because by his act the Hartford Steam Co. was enabled to use the patented pipe in plaintiffs' territory without paying tribute to him.

It seems to me that this reasoning is fallacious.

A contributory infringer aids in the creation of a thing which nobody but the patentee has a right to make. His act is one step in a conspiracy which aims at wrongfully bringing forth something to which he has no right.

In the case at bar the patented pipe was made by the defendant under the protection of the patent and in pursuance of the privileges of the patent.

The contributory infringer aids and abets the commission of an unlawful act, and therefore is guilty of wrong doing.

The defendant here did nothing of the kind.

Since the decision of *Adams vs. Burke*, in 1873, it has been the law in this country that one who buys a patented article without conditions or restrictions from one who had a right to sell it in the place where the sale is made, acquires the right to use it anywhere.

It is not pretended that the defendant had not a perfect right to make and sell the patented pipe in Michigan.

It is not pretended that the Hartford Steam Company sold any of the pipe purchased from Jennison. It is undeniable that it was all used by the Hartford Steam Company in constructing its steam supply plant. And being merely a steam pipe casing laid under ground, it necessarily perished in the using.

Thus when Jennison sold this pipe he might have known that the use thereof by the defendant anywhere in the United States was lawful.

The act of the contributory infringer results in an infringement of the patent by him or by somebody else.

The act of defendant Jennison did not result in the infringement of the patent by anybody.

Plaintiffs attacked *Adams vs. Burke* below, and will probably do so here.

The attack below was based upon two decisions at circuit.

Hatch vs. Adams 22 F R., 434.
Hatch vs. Hall, 22 F. R., 438.
Hatch vs. Hall, 30 F. R., 613.

In the first of these cases the defendant Adams was a merchant in Philadelphia. He bought patented bed bottoms in New York City from a dealer who had an exclusive license under the patent to make, use and sell the patented bed bottom in New York, and resold them in Philadelphia in the ordinary course of trade.

Held by McKennan, J., that *Adams vs. Burke* extended only the right of use by the purchasers, did not give him the right of sale in Philadelphia, and the defendant was enjoined from further sale.

In the second of these cases the defendant Hall was the vendor of the defendant Adams in the first case. Hall had an exclusive license under the patent "to make, use and sell said improvement within the following designated places: to manufacture in the city of New York and Brooklyn, and sell in the State of New York and elsewhere."

On the injunction motion Wheeler, J., held: "But no good "reason yet appears why he should not be permitted to adver- "tise the articles and sell them in New York, although the pur- "chasers may take them into the orator's territory."

On final hearing it was held that Adams vs. Burke limited the rights of purchasers under the circumstances of cases like this to mere use, and the Court held the defendant liable, saying: "Sellers in the territory of the orators would appear to be infringers there, without reference to where they obtained the goods, if not from the orators. The defendant appears to have furnished beds of the patent to dealers. to be sold outside, *and to have sought their custom for that purpose. They were infringers in making the sales, and he participated in the infringement by furnishing the means for it, and aiding and abetting it.* Such a participant in the tort of infringement is liable for the whole. (*Rumford Chemical Works vs. Hecker*, 2 Ban. & A., 331; *Richardson vs. Noyes*, Id., 398; *Cotton Supply Co. vs. McCready*, 17 Blatch., 291; *Travers vs. Beyer*, 26 Fed. Rep., *450*; *Alabastine Co. vs. Payne*, 27 Fed. Rep., 559.)

The decision upon the preliminary injunction in this case is relied upon for the defendant in support of a right to sell for any purpose within his territory. The preliminary injunction was limited to restraint of sales outside of his territory. *Hatch vs. Hall*, 22 Fed. Rep., 438. It was not held, however, that participating in such sales by others should not be likewise restrained. Such outside dealer was held liable in *Hatch vs. Adams*, 22 Fed. Rep., 434, with reference to this same patent and these same territorial rights. The defendant is now held liable for aiding in the same thing."

In *Hatch vs. Hall* it appeared that defendant sought the custom of dealers outside the territory, while in the case at bar the Hartford Steam Co. came to defendant in Michigan without any solicitation.

In *Hobbie vs. Smith*, 27 Fed. Rep., 656, the suit was precisely like the one at bar, Smith being one of the defendant Jennison's assignors, and Coxe, J., held that whenever the defendants sold a patented pipe in Michigan, where they owned the patent, they were not liable, although they knew that the pipe was to be used outside of Michigan, but where the defendants sold the pipe in Hobbie's territory they were liable.

I believe that these are the only cases where suit has been brought against the vendor, and in one case he was enjoined and in the other case held not liable.

Adams vs. Burke was evidently a very carefully considered decision, and seems to be founded upon the construction of the Patent Act had in prior decisions of the Court, the first of which was *Bloomer vs McQuewan*, 14 Howard, 545.

The question involved in that case was as to the right of a person in lawful use of a patented machine at the time of the expiration of the latters patent, to continue the use of that identical machine through the term of a further extension of the patent by special act of congress.

The Court pointed out the difference between a purchaser of an interest in or under the patent itself, and a purchaser of the patented product or machine for use. Evidently the rights of the first terminated with the expiration of the thing in which his interest was purchased.

"But the purchaser of the implement or machine for the purpose of using it in the ordinary pursuits of life, stands on different ground. In using it, he exercises no rights created by the act of congress, nor does he derive title to it by virtue of the franchise or exclusive privileges granted to the patentee. The inventor might lawfully sell it to him, whether he had a patent or not, if no other patentee stood in the way. And when the machine passes to the hands of the purchaser, it is no longer within the limits of the monopoly. It passes outside of it, and is no longer under the protection of the act of congress. And if his right to the implement or machine is infringed, he must seek redress in the court of the State, according to the laws of the State, and not in the courts of the United States, nor under the law of congress granting the patent. The implement or machine becomes his private individual property, not protected by the laws of the United States, but by the laws of the State in which it is situated."

In Chaffee vs. The Boston Belting Co., a similar ruling was made as to the use during the extended term of the patent provided for by statute; citing *Bloomer vs. McQuewan*, and *Wilson vs. Rousseau*, 4 Howard, 646. The case was, however, reversed because the bill of exceptions did not show that the defendants

Plaintiffs attacked *Adams vs. Burke* below, and will probably do so here.

The attack below was based upon two decisions at circuit.

Hatch vs. Adams 22 F R., 434.
Hatch vs. Hall, 22 F. R., 438.
Hatch vs. Hall, 30 F. R., 613.

In the first of these cases the defendant Adams was a merchant in Philadelphia. He bought patented bed bottoms in New York City from a dealer who had an exclusive license under the patent to make, use and sell the patented bed bottom in New York, and resold them in Philadelphia in the ordinary course of trade.

Held by McKennan, J., that *Adams vs. Burke* extended only the right of use by the purchasers, did not give him the right of sale in Philadelphia, and the defendant was enjoined from further sale.

In the second of these cases the defendant Hall was the vendor of the defendant Adams in the first case. Hall had an exclusive license under the patent "to make, use and sell said improvement within the following designated places: to manufacture in the city of New York and Brooklyn, and sell in the State of New York and elsewhere."

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"But the purchaser of the implement or machine for the purpose of using it in the ordinary pursuits of life, stands on different ground. In using it, he exercises no rights created by the act of congress, nor does he derive title to it by virtue of the franchise or exclusive privileges granted to the patentee. The inventor might lawfully sell it to him, whether he had a patent or not, if no other patentee stood in the way. And when the machine passes to the hands of the purchaser, it is no longer within the limits of the monopoly. It passes outside of it, and is no longer under the protection of the act of congress. And if his right to the implement or machine is infringed, he must seek redress in the court of the State, according to the laws of the State, and not in the courts of the United States, nor under the law of congress granting the patent. The implement or machine becomes his private individual property, not protected by the laws of the United States, but by the laws of the State in which it is situated."

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were in lawful use of the machine during the original term of the patent.

In *Mitchell vs. Hawley*, 16 Wallace, 544, the defendant obtained the right to use the machine during the original term from a licensee whose right was expressly limited to said original term, and the Court held that the right of defendant to use did not continue during the extended term. The Court, however, used this very significant language:

"Patented implements or machines sold to be used in the ordinary pursuits of life become the private individual property of the purchasers, and are no longer specifically protected by the patent laws of the State where the implements or machines are owned and used. Sales of the kind may be made by the patentee with or without conditions, as in other cases, but where the sale is absolute, and without any conditions, the rule is well settled that the purchaser may continue to use the implement or machine purchased until it is worn out, or he may repair it or improve upon it as he pleases, in same manner as if dealing with property of any other kind."

Then came *Adams vs. Burke*, which was followed in a few days by affirmance of *McKay vs. Wooster*, in which no opinion seems to have been published.

Adams vs. Burke has been cited by this Court in several subsequent cases, as have also the earlier decisions on which it was founded, and in no case has its correctness been doubted.

In the *Paper Bag Cases*, 105 U. S., 771, the right of the owner of a machine to continue its use during the extended term of the patent was reaffirmed.

Birdsell vs. Shaliol, 112 U. S., 485.

In this case the question was as to the right of a patentee and his exclusive license to recover against an infringing user of a machine after the patentee had recovered nominal damages in a suit against a manufacturer of the machine.

The Court said: "A license from the patentee to make, use and sell machines gives the licensee the right to do so, within the scope of the license, throughout the term of the patent; and has the same effect upon machines sold by the licensee under authority of his license, that a sale by the patentee has upon machines sold by himself, of wholly releasing them from monopoly, and discharging all claim of the patentee for their use by anybody; because such is the effect of the patentee's voluntary act of licensing or selling, in consideration of the sum paid him for the license or sale." (*Adams vs. Burke*, 17 Wall., 453.)

Wade vs. Metcalf, 129 U. S., 202.

This case turned upon 4889 Rev. Stat. the defendants using a machine constructed prior to the application for patent, with the knowledge and consent of the inventor. The Court said:

"If the first two clauses of the section, taken by themselves,

leave the matter in any doubt, the succeeding clause, including every person "who sells or uses one so constructed," makes it perfectly clear that the implied license conferred by the section sets the specific machine free from the monopoly of the patent in the hands of any person, just as if that person were the lawful assignee of one holding the machine under a purchase or an express and unrestricted license from the inventor."

Boesch vs. Graff, 133 U. S., 697.

In this case *Bloomer vs. McQuewan* and *Adams vs. Burke* were cited with approval, but the gist of the decision lies in the sentence, "The sale of articles in the United States, under a United States patent, cannot be controlled by foreign laws."

The infringing articles were purchased in Germany, and were not even made under the protection of the German patent to the inventor, but in defiance thereof under a provision of the German law, somewhat like 4889 Rev. Stat., but eliminating the consent of the inventor, and being somewhat broader than Sec. 7 of the Patent Act of 1839.

Thus for twenty years the doctrine of *Adams vs. Burke* has stood unquestioned by this Court.

And that doctrine is the only one which protects the purchaser of a patented article.

It seems to me that the difficulty suggested by Mr. Justice Bradley in his dissenting opinion completely answers that opinion.

The injustice which the dissenting opinion points out is more fanciful than real.

When it is considered that the whole remedy for the state of affairs imagined by the learned justice in connection with the Morse telegraph, the planing machine and the Hoe printing press is within the hands of the patentee, and that he can bind each and every licensee or assignee to either not sell at all or to sell only with such expressed conditions as to use that no other licensee or assignee will be interfered with, the predicated danger disappears.

And it is much more reasonable, and would work much less injustice, to oblige the patentee to make his licensees or assignees agree to sell only upon conditions, than to hold purchasers buying without restriction, limited in their right of use or sale.

I respectfully submit that the judgment should be affirmed.

GEO. H. LOTHROP,

Counsel for Defendant in Error.